



**FINANCE COMMITTEE
13 NOVEMBER 2025**

REDACTED MINUTES FOR PUBLICATION

A meeting of the Finance Committee was held remotely via Zoom videoconferencing on Thursday 13 November 2025 from 14.15-16.00pm.

Present:	Prof Nick Braisby [NB] Dominic O’Rourke [DOR] Graeme Scott [GS]	Vice Chair of Finance Committee Chair of Finance Committee (Honorary Treasurer)
	Ashley Wheaton [AW]	Vice Chancellor
Apologies:	Jane Fawkes [JEF] Ros Kerslake CBE [RK] Peter McCrea OBE [PM]	University Secretary
In Attendance:	David Balme [DB] Stephen Bartle [SB]	Chief Operating Officer Pro Vice Chancellor Commercial (for item 5.5 only)
	Lyndsay Hughes [LH] Jim Kerr [JK]	Note taker Finance Director

1) GENERAL MEETING GOVERNANCE

5545 1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST

5546 There were no conflicts of interest declared.

5547 1.2/ APOLOGIES FOR ABSENCE AND PRELIMINARIES

5548 There were apologies for absence from Jane Fawkes, Ros Kerslake CBE and Peter McCrea OBE.

5549 1.3/ MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 12 JUNE 2025

5550 The minutes of the Finance Committee meeting held 12 June 2025 (paper 1.3) were **APPROVED** as a true record and signed by the Honorary Treasurer.

5551 The proposed redacted sections of the minutes from the meeting held 12 June 2025 were **APPROVED** and will be published accordingly on the website.

5552 1.4/ MATTERS ARISING AND ACTIONS SUMMARY

5553 An actions summary from the last meeting was circulated as paper 1.4. The Committee **NOTED** the update on actions provided and that all were either now

closed, due for further discussion during the meeting, or deliberately deferred and in hand for future reporting.

2) OFS COMPLIANCE

5554 2.1/ THE OFS FINANCIAL RETURN 2025

5555 University of the Built Environment is required to submit an Annual Financial Return to the Office for Students (OfS), which is one of the ongoing OfS Conditions of Registration. The return includes financial forecasting of income and expenditure up to and including 31 July 2030, cash flow, and forecasting of projected student numbers as Full Time Equivalent (FTE), as well as details of grants, remuneration of the Head of the Provider, and data related to Access and Participation projected spending. The Committee reviewed the data for the submission (paper 2.1a) and the Commentary on it (paper 2.1b) on behalf of the Board who will be asked to sign it off for submission to OfS at their meeting on 3 December 2025.

5556 JK highlighted some key points regarding the Return to the Committee. The validation warnings on the front pages are all acceptable, consistent with prior years reporting and fully explained in the Commentary, although JK will verify if drop down options can be chosen which will remove the validation errors ahead of final submission. In two places the Return does not fully align with the Financial Statements, and this relates to debtors over 1 year needing to be disclosed in a different way and to cashflow showing capital grant, which does not need to be reported in this way in the Financial Statements.

5557 GS queried why the cash balance on the Financial Return includes Beechwood Architecture/LSA funds (which also does not reflect the Balance Sheet in the Financial Statements). JK advised that the change to be made in terms of reporting this cash in the Financial Statements which was agreed earlier on 13 November in the Joint Audit and Finance Committee would rectify this discrepancy before all documentation is finalised for submission.

5558 REDACTED

5559 JK advised that the way fees are reported has been changed by OfS and therefore consistency with prior years is not possible. On senior staff pay, whilst the numbers may look different between years, JK confirmed they are correct.

5560 The Committee queried whether UBE is being overconfident/optimistic in estimating growth in student numbers. The Vice Chancellor confirmed that, if anything, the numbers are cautious predictions (12% growth in total from year 2 to year 7) and that due to the skills crisis, associated demand and the new programmes UBE is developing, more significant growth is potentially achievable. The Committee also discussed whether the right assumptions have been made to inform the Return and again, the Vice Chancellor stated that the numbers included are safe, solid and based on the original budgeted plan for the year without factoring in any overperformance (which happened last year and has occurred so far this year to date). The only potential question anticipated from the OfS is relative to the planned deficit budget for this year, but this is explainable as investment and therefore unlikely to raise concerns once fully considered. Overall, the Return is very much in line with previous years submissions and is wholly based on budgeted numbers.

- 5561 GS advised he would send in some typographical matters to JK for edit prior to submission to the Board.
- 5562 The Committee **AGREED** that the numbers continue to provide a very positive and realistic story for the University. The Committee also **NOTED** that the Executive had reviewed the Return twice before Finance Committee. The Committee was satisfied and had no further queries on either the data tables or the Commentary.
- 5563 Following the review, the Committee **PRE-APPROVED** the Financial Return and will recommend it to the Board to provide final sign-off on both the data and the associated commentary at the meeting scheduled on 3 December 2025, pending the minor amendments agreed being made before this time.
- ACTION Make final amendments to the Financial Return in line with Finance Committee feedback and then present to the Board in December to approve for final submission to the OfS. [JK]**
- 5564 The Committee expressed its thanks to all the staff involved for their work in bringing the Financial Return together.

3) 2025–26 FINANCIAL YEAR

- 5565 3.1/ YEAR TO DATE PERFORMANCE 2025–26, BALANCE SHEET AND CASHFLOW FORECAST**
- 5566 JK presented paper 3.1 to the Committee which summarised the September 2025 University management accounts, LSA P&L, University balance sheet and University cashflow forecast relative to the approved budget for 2025–26. Overall, the University is on target to exceed income forecast for the year.
- 5567 JK reported that the autumn semester income target is well ahead of budget and for the year will be at £820K ahead **if** Spring recruitment remains on target/budget. Some cost savings are already being made alongside this and therefore the institution is likely to outperform the £790K deficit to an approximately £200K deficit (as an early forecast).
- 5568 The Committee discussed whether the institution should be permitted to spend any of this additional income and continue to target the £790K deficit for year end. GS considered spending to the agreed £790K deficit was acceptable (provided this was not exceeded). NB would prefer a better than budgeted result for the year given the wider financial context within higher education but not necessarily banking all of the out-performance, given that the opportunity to spend additional income within year will be challenging due to timing.
- 5569 The Executive has discussed the right sum which would reduce the expectations on the deficit but which could realistically be spent/invested in year in line with institutional capacity and the necessity to deliver the commitments already made. Overall, the Committee **AGREED** it would welcome a much lower deficit position at year end but provided the budgeted £790K deficit is not exceeded then the Executive can determine the right level of additional investment that is achievable through use of the higher than budgeted income performance in the autumn semester.

- 5570 The Committee also commented that it might be preferable for the Executive to use over performance income from 2025-26 well in 2026-27, rather than rushed in-year. It was **AGREED** that sizing the total investment envelop over a multi-year period is work that should be undertaken as soon as possible and will provide the longer-term view in which the in-year ups and downs will be less significant. This ties with the Committee's initial reaction to the £1.5M deficit budget proposal initially presented in June 2025 where the concerns were that the totality could not realistically be spent in a single year.
- 5571 The Committee **NOTED** the September year to date financial position against approved budget at paper 2.1a, the LSA P&L at paper 3.1b, the September 2025 Balance Sheet at paper 3.1c, and the cashflow forecasts for FY2025-26 and for FY2025/26 to FY2029/30.
- 5572 3.2/ BUDGET PROCESS AND PLANNING FOR 2026 ONWARDS AND BUDGET ASSUMPTIONS**
- 5573 DB presented paper 3.2 to the Committee which summarised the proposed assumptions that will be made to enable budgeting (based on some agreed fundamentals) for the next financial year to commence. Agreeing these parameters will ensure the Committee can be supportive of the proposed budget in June 2026 at the outset.
- 5574 **REDACTED**
- 5575 NB commented that he believes going to the Board with a position any worse than already established should not happen, and therefore the £476K deficit should be the worst-case scenario presented for 2026-27. The Board could and should, however, remain sympathetic to the presentation of any fully costed investment with a clear Return on Investment and remain open to making changes where these make sense for the institution.
- 5576 Some members were, however, willing to accept a higher deficit in FY27 given that it will be difficult to spend effectively to £790K deficit in the current year. What the Board must start to see, however, is an improved trend where the investments made in current/previous years start to demonstrate their value.
- 5577 GS would also like to see further consideration of the pay policy and the plan for the associated investment required to reach higher levels of pay for all staff to come forward, which will require substantial Board investment.
- 5578 The Committee also discussed whether the institution should be targeted with delivering substantial surpluses in out years or not. Some Trustees do not think the institution should make surpluses of 10-15% annually as it is a charitable, not-for-profit organisation. Others feel it should generate surpluses in order to be able to successfully invest back into the University. It was suggested that to address this, it might help the Board to be presented with a purely operational budget and then a planned post-investment budget position outlining the available sums to strategically reinvest and the items to be invested in, rather than merging the two as currently.
- 5579 The Committee **APPROVED** the proposed budget assumptions outlined in paper 3.2 for the FY27 budget planning round to commence and specifically confirmed that at a top level the BAU operations needs to remain surplus generating. Investment

priorities and options should be presented below this with the overall deficit levels linking back to the already agreed five-year plan levels. The Committee will also be willing to consider specific, fully costed proposals (with Return on Investment data provided) for separate consideration as and when necessary. The Executive should work to reconfigure the presentation of budget information to support these agreements with an operating/BAU position, followed by strategic projects / investments.

ACTION: Revise how the budget is presented to Trustees in the future, separating more clearly the operational and surplus generating core business from project and investments. [DB/JK]

4) PROPERTY

5580 4.1/ REDACTED

5581 REDACTED

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5589 4.2/ REVALUATION OF HORIZONS

5590 David Balme provided an overview of the rationale, purpose, process and costs associated with a potential revaluation of Horizons as per paper 4.2.

5591 DB confirmed a potential revaluation had been discussed with the auditors, Forvis Mazar. This type of exercise is typically done when a Balance Sheet requires strengthening and is therefore not considered an essential activity for UBE. The Committee members concurred that there is no significant requirement or need to carry out this exercise, yet it would bring additional costs to the institution for no benefit at the current time. A valuation will only become necessary should there be a financial need or a decision to sell Horizons and should only be carried out at that time.

5592 The Committee **AGREED** that a revaluation of Horizons should not be undertaken during 2025-26 but that the Committee would periodically reconsider this decision.

5) FINANCIAL GOVERNANCE

5593 5.1/ FINANCE COMMITTEE ANNUAL REPORT 2024-25

5594 The Committee considered its draft Annual Report for the 2024-25 academic and financial year (paper 5.1). As part of best practice in higher education governance, all sub-committees of the Board review their work and impact through an annual report, presented to the Board of Trustees.

5595 The Committee considered that overall, it has met its Terms of Reference for the year. It has been a positive year in which the University has continued to demonstrate financial resilience compared to the wider sector. A small number of additional items should be added to the report before it proceeds to Board, which includes the review of the impact of higher national insurance and the review of how business case approvals are made which were both undertaken by the Committee in 2024-25 but are not currently included in the report.

5596 The Committee **NOTED** the work it had achieved in the last year and **APPROVED** the Finance Committee draft annual report for 2024-25 which will be presented to the Board on 3 December 2025 for final approval, pending two minor additions.

ACTION: Present the Finance Committee Annual Report 2024-25 to the Board of Trustees for final approval on 3 December 2025 pending some minor additions. [LH]

5597 5.2/ BURSARIES WORKING GROUP ANNUAL REPORT 2024-25

5598 The Committee was reminded that the Bursaries Working Group was formerly a sub-group of the Finance Committee and is now managed internally, with the Finance Committee receiving an annual report on the award and management of bursaries to University of the Built Environment students. An annual report for the 2024-25 academic and financial year was presented in paper 5.2.

5599 JK highlighted some key points to the Committee including that the Stephen Lawrence Foundation had funded some students (which UBE inherited from the LSA) and UBE had agreed to continue to support these students despite the removal of the original funding.

5600 The Committee agreed it would review, at a meeting in 2026, the scale of the University's bursaries provision and whether this remains adequate for its now greater size and number of students. The fund currently has £2M ringfenced with Sarasin's which generates around £60K of distribution income per year. This has been the same provision for many years and could possibly be increased as part of the charitable mission. Data on continuation and completion of bursary funded students would be required to support this discussion.

ACTION: Schedule a discussion on the scale and adequacy of the University's bursary provision during 2026 to determine if this can be increased further in order to support more students as part of the institution's charitable purpose and ensure this discussion is supported by sufficient and appropriate data. [LH]

5601 The Committee **NOTED** the work achieved by the Bursaries Working Group in the 2024-25 year and the number of bursary awards made. The Committee also **NOTED** the continuing work to align the allocation of undergraduate bursaries to the objectives of the Access and Participation Plan.

5602 5.3/ INVESTMENTS AND CASH

5603 The Committee was presented with UBE's cash and investments position in paper 5.3 and some changes to how this might be managed going forwards to protect University funds from inflationary erosion were presented. The proposals included sourcing a separate investment fund into which the proceeds from the sale of Shinfield Grange can be placed in order to diversify the total investment holdings. To change from taking investment income from Sarasin's and reinvest it in the portfolio instead. A final option was for the healthy cash at bank balance to be partly used to generate greater sums of income via a Black Rock investment product.

5604 REDACTED

5605 REDACTED

ACTION: Research the best options for use of the current surplus cash at bank and how it can best generate a return for the University whilst remaining accessible. [DB]

5606 REDACTED

5607 The Committee **AGREED** that any income generated from the sale of Shinfield Grange should be invested in a separate investment fund to start the process of diversifying the risk of having all University investments in one fund. Options for this should be researched and presented back to the Committee.

ACTION: Research alternative investment funds into which the proceeds of the Shinfield Grange sale may be deposited. [DB]

5608 The Committee **AGREED** that the instruction on the main Sarasin & Partners investment account should be updated so that investment income returns are re-invested rather than taken as cash.

ACTION: Revise the Sarasin & Partners instruction to reinvest investment income into the fund. [JK]

5609 5.4/ PROFITABILITY UPDATE

5610 DB provided a brief update on ongoing progress with profitability work which consists currently of costing the strategic plan and reviewing the University's delivery model and new academic programme costs (as per paper 5.4). Both of these will report to the March Finance Committee meeting in more detail as part of the planning and budgeting cycle.

5611 GS commented that it was unclear how costs would be captured in terms of investments that then yield a saving and when/how they move into BAU. Ensuring that investments made do make a return for the institution is essential, as is ensuring investments are fully costed so that savings made in outer years can also be reinvested.

5612 The Committee **NOTED** the update on costing and profitability and looked forward to reviewing the outcomes of the work at the next meeting.

- 5613** **5.5/ NEW PROGRAMMES – STUDENT NUMBERS AND INCOME PROJECTIONS**
- 5614 The Honorary Treasurer welcomed Stephen Bartle, Pro Vice Chancellor Commercial, to the meeting for this item.
- 5615 SB presented the latest programme roadmap and the associated projections for student enrolments and income associated with them to the Committee as per paper 5.5.
- 5616 SB reported that the institution is making good progress in development of new programmes and in recruiting new students to them. There are 225 students on new programmes studying with the institution this year. All programme launches for 2026 and 2027 remain on track. The projection data within the report is derived from the initial business case documentation and projections could still be impacted by market changes or policy changes (for example for degree apprenticeships).
- 5617 The Committee queried how accurate the business case projections are proving to be following launch and therefore the level of confidence in the forecasts. SB responded that it is often proving to take longer to achieve projected numbers in reality than were anticipated at the business case stage. Whilst overall the report presents a positive picture there is still much to be done to achieve these targets and some business case assumptions can change through no fault of the institution, for example the Level 7 Sustainability Business Specialist has been affected by de-funding of Level 7 apprenticeships and therefore does not have longevity. It is important to continue new product development as a result. It is also important that the Board focuses on the longer-term viability of a programme than some first-year intake numbers may indicate as measures of success.
- 5618 The Committee also queried whether any of the new programmes run the risk of cannibalising any existing programmes or whether they all represent new business and market share. SB responded that the risk of this would be on some apprenticeship routes, but this is not necessarily negative for the institution.
- 5619 GS queried the calculations to understand the average length of study and the growing totality of students and income associated with these programmes over a five-year period. The total number of students and the numbers of continuing students in each year are not clear, nor the associated fees per programme so provision of further information on this would help the Committee understand the numbers better.
- 5620 The Committee also commented that there are many courses on the list which are forecast to deliver less than £0.5M each and at what point the institution will determine whether they are too marginal or not, given the associated costs of developing and running them. The institution will continue to keep this under review.
- 5621 The Committee **NOTED** the latest student and income forecast data associated with the University's programme roadmap.
- 5622 The Honorary Treasurer thanked SB for his contribution and invited him to leave the meeting.
- 5623** **5.6/ INSURANCES**

- 5624 DB provided a brief update on the University's insurances and associated costs as per paper 5.6 and in line with the expectations set out in the Terms of Reference for the Committee. This includes the impact of adding LSA into the University portfolio this year. A spreadsheet was also provided with all the individual levels of cover on products that UBE has in place for information.
- 5625 DB commented that he has used Northern Universities Insurance Group in the past which is a sector group that can help small institutions. They are currently working to benchmark costs and cover levels and the data from this will help inform UBE's renewal process next year. GS commented that UMAL is a similar organisation which UBE might also consider for benchmarking support.
- 5626 The Committee commented that Business Interruption cover of £1M seemed quite low relative to a potential cyber security issue. Whilst UBE's broker has confirmed in his view that this is fine, part of the purpose of joining the benchmarking process is to help UBE feel genuinely confident in levels of cover and make amendments where required next year.
- 5627 The Committee **NOTED** the update on insurances and the saving vs budget that has been achieved this year. The Committee suggested this summary should also be shared with the Audit Committee for information.

ACTION: Provide the report on University insurances to Audit Committee for information. [LH]

6) ANY OTHER BUSINESS

- 5628 **6/ ANY OTHER BUSINESS**
- 5629 No other matters of business were raised, and the Honorary Treasurer thanked all members for their attendance at the meeting.

7) MEETING CLOSE

- 5630 The Honorary Treasurer closed the meeting at 16.02pm.
- 5631 The date of the next Finance Committee meeting will be Thursday 12 March 2026.

8) MATTERS FOR NOTING

- 5632 The Committee **NOTED**, as per paper 8.1, the Sarasin & Partners Quarterly Performance Reports for Q2 2025 dated 30 June 2025 and Q3 dated 30 September 2025, at which point the University had a total portfolio value of £9,557,024.
- 5633 The Committee **NOTED** as per paper 8.1d, the Sarasin & Partners Annual Stewardship Report.
- 5634 The Committee **NOTED**, as per paper 8.2, the final letter of grant from the University to UCEM Asia Ltd of £512,000 for the 2024-25 financial year following completion of audit work to commence and that the Honorary Treasurer had signed off the letter awarding this sum in September 2025 on behalf of the Board.

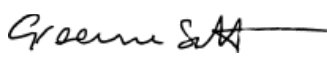
5635 The Committee **NOTED** the initial allocation of funding from the OfS for the 2025-26 year as £958,246 and that the University had been unsuccessful in its bid for capital funding.

5636 The Committee **APPROVED** the proposed changes to the Treasury Management Policy V2.01 for finalisation as V3.0, REDACTED.

ACTION: Finalise the Treasury Management Policy V3.0 and ensure further edits are made for approval at the next meeting which align with investment decisions and ensure UBE is operating in line with its agreed policy. [LH/JK]

5637 The Committee **NOTED** that the bank mandates required further updating following the recent change in Board Leadership roles and approved the proposed changes to be made with both NatWest and Sarasin and Partners.

ACTION: Amend the bank mandates to reflect new Board Leadership personnel. [LH/JK]

Signed 

Name Graeme Scott

Position Chair of Finance Committee / Honorary Treasurer

Date 11 March 2026